

AMENDED IN ASSEMBLY JUNE 21, 2006

**SENATE BILL**

**No. 1737**

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**Introduced by Senator Figueroa**

February 24, 2006

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An act to add Chapter 23.5 (commencing with Section 22730) to Division 8 of the Business and Professions Code, relating to consumer rebates.

LEGISLATIVE COUNSEL'S DIGEST

SB 1737, as amended, Figueroa. Consumer rebates.

Existing law regulates various business activities and practices.

This bill would impose certain requirements on companies and retailers that offer consumer rebates, including that a company allow a minimum of 30 days for a consumer to submit a rebate request. The bill would require a company to mail a rebate check within a specified time period. The bill would specify the information that may be required from a consumer by a company that offers a rebate. The bill would exempt from its provisions rebates offered by a gas or electric corporation or a local publicly owned electric utility through its energy program. The bill's provisions would become operative on July 1, 2007.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Chapter 23.5 (commencing with Section 22730)
- 2 is added to Division 8 of the Business and Professions Code, to
- 3 read:

## CHAPTER 23.5. CONSUMER REBATES

22730. As used in this chapter, “consumer rebate” means an offer to provide cash, credit, or credit towards future purchases, that is offered to consumers who acquire or purchase a specified product or service and that is conditioned upon the consumer submitting a request for redemption after satisfying the terms and conditions of the offer. The term shall not include any discount from the purchase price that is taken at the time of purchase, any discount, cash, credit, or credit towards a future purchase that is automatically provided to a consumer without the need to submit a request for redemption, or any refund that may be given to a consumer in accordance with a company’s return, guarantee, adjustment, or warranty policies, or any company’s frequent shopper customer reward program.

22731. As used in this chapter, “company” means the company or entity that is funding the consumer rebate.

22732. (a) A company shall not require a consumer to provide more than the following as proof of purchase for purposes of redeeming a consumer rebate:

- (1) A receipt for the purchase of the product or services.
- (2) A universal product code, packing slip, or packaging element that is clearly and conspicuously marked as the necessary proof of purchase for the rebate offer.
- (3) The consumer’s name.
- (4) The consumer’s address.
- (5) The consumer’s telephone number.
- (6) The consumer’s membership number, if applicable.
- (7) The consumer’s signature.
- (8) In the event that the eligibility for the consumer rebate is triggered by an electronic transaction, a valid proof of the electronic transaction.

(b) For purposes of paragraph (1) of subdivision (a), a copy of the receipt shall be sufficient unless the consumer is provided with a duplicate original receipt for each product associated with a rebate, in which case the duplicate original may be required.

(c) If the consumer rebate offer is contingent upon ownership of another product or service, a company may, in addition to the information permitted to be requested under subdivision (a),

1 request reasonable proof of ownership of the other product or  
2 service.

3 (d) Notwithstanding subdivision (a), a company has the right  
4 to reject a consumer rebate claim or to request reasonable  
5 additional documentation to verify a claim if it has reason to  
6 believe that the individual consumer submitting the rebate  
7 request is attempting to commit fraud, has already received the  
8 offered rebate, or that the proof of purchase is not from a  
9 legitimate company product or service.

10 22733. (a) Except as provided in subdivision (b), a consumer  
11 rebate offer shall conspicuously disclose a telephone number on  
12 the rebate form that a consumer may call to check the status of  
13 his or her rebate request.

14 (b) For purchases of a company's product that occur over a  
15 Web site operated or maintained by that company, a Web site or  
16 other electronic means may be provided instead of the telephone  
17 number to check the status of his or her ~~consumer rebate~~ *rebate*  
18 *request*.

19 22734. A company may require the consumer to write the  
20 model number or other identifying number on the consumer  
21 rebate form only if the receipt does not reveal the product name,  
22 type, model, or other identifying number.

23 22735. A company that offers a consumer rebate shall allow  
24 a minimum of 30 days from the date the consumer purchases the  
25 product, or becomes eligible for the rebate pursuant to  
26 subdivision (b) of Section 22736, for the consumer to submit the  
27 rebate request.

28 22736. (a) A company shall mail the rebate check or transmit  
29 the rebate funds to the consumer or fulfill the terms of the rebate  
30 offer within the same number of days provided to the consumer  
31 to submit the rebate request pursuant to Section 22735, but in no  
32 event later than 60 days from either of the following events as  
33 applicable:

34 ~~(a)~~

35 (1) Upon receipt of a consumer rebate request meeting the  
36 terms and conditions of the rebate offer, to the extent permitted  
37 by this chapter and as disclosed at the time of purchase.

38 ~~(b)~~

39 (2) If the consumer rebate offer is conditioned upon a  
40 consumer staying with a service for a minimum length of time,

1 then upon completion of this term of the rebate offer and receipt  
2 of a rebate request meeting the terms and conditions for the  
3 rebate to the extent permitted by this chapter and as disclosed at  
4 the time of purchase.

5 *(b) If a company is unable to mail the rebate check to the*  
6 *consumer within the same number of days provided to the*  
7 *consumer to submit the rebate, the company shall provide notice*  
8 *to the consumer.*

9 22737. (a) A company offering a consumer rebate shall not  
10 require personal information other than the consumer's name,  
11 address, telephone number, membership number if applicable,  
12 and signature.

13 (b) A company may require, instead of a telephone number, a  
14 consumer's e-mail address with respect to products purchased  
15 over the Internet, Internet-based services, or Internet rebate  
16 redemptions.

17 22738. (a) A company offering a consumer rebate shall  
18 provide the rebate redemption form directly with the product, or  
19 at the same location and at the same time that the consumer  
20 purchases the product.

21 (b) A company that does not provide rebate forms directly  
22 with its product may comply with this section by supplying the  
23 retailer with either of the following:

24 (1) A sufficient quantity of rebate redemption forms based on  
25 reasonably anticipated sales.

26 (2) The means to create a rebate redemption form at the time  
27 and place of sale.

28 (c) For purposes of Internet sales, a generally accessible  
29 company Web page, including a rebate form thereon, shall  
30 comply with this section. For purposes of telephone sales,  
31 directing consumers to a generally accessible company Web  
32 page, including the rebate form, and, upon request, sending the  
33 rebate form via the consumer's choice of regular or electronic  
34 mail or telecopy shall comply with this section.

35 *(d) A company that complies with this chapter shall not be*  
36 *held liable if a retailer extending the rebate on the company's*  
37 *behalf does not provide the consumer with the rebate form.*

38 22739. The provisions of this chapter do not apply to either of  
39 the following:

1 (a) Rebates and rebate programs that are offered by gas or  
2 electric corporations through their energy programs under the  
3 jurisdiction of the Public Utilities Commission.

4 (b) Rebates and rebate programs that are offered by local  
5 publicly owned electric utilities, as defined in Section 9604 of the  
6 Public Utilities Code, through their energy programs funded  
7 pursuant to Section 385 of the Public Utilities Code.

8 22740. This chapter shall become operative on July 1, 2007.  
9 Nothing in this chapter shall impose on any manufacturer any  
10 obligation to recall any product or service offering consumer  
11 rebates made available to retail sales outlets or consumers prior  
12 to the operative date of this chapter. Any rebate offer in effect  
13 prior to operative date of this chapter shall be deemed to be in  
14 compliance with this chapter.

15 22741. *The rebate shall be in the form of a check that is*  
16 *payable upon demand and drawn on a bank.*